GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:249
ANSWERED ON:29.08.2012
OUTSTANDING NPAS QUESTION
Yadav Shri Hukamdeo Narayan

Will the Minister of FINANCE be pleased to state:

(a) the amount outstanding on account of Non Performing Assets (NPAs) in the banks and the amount written off during the last three years;

(b) the number of persons who took the benefit of NPA and writing off more than once;

(c) whether the Reserve Bank of India has taken any steps to reduce the level of NPA in the banks and restructure the loan system; and

(d) if so, the details thereof?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (d); A Statement is laid on the Table of the House.

STATEMENT AS REFERRED TO IN REPLY TO PARAS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.249 FOR 29th AUGUST, 2012/ BHADRAPADA 07, 1934 (SAKA) REGARDING OUTSTANDING NPAs TABLED BY SHRI HUKUMDEV NARAYAN YADAV

(a) & (b): As per data received from Reserve Bank of India (RBI), the amount outstanding on account of Non-Performing Assets (NPAs) and Written off amount in Scheduled Commercial Banks (SCBs) for the last three years is as under:

(Rs. In Crore)

	MAR 2010	MAR 2011	MAR 2012
NPAs	81808	94121	137102
WRITTEN OFF AMOUNT	24861	23324	21604

(including Local Area Bank)

Data reporting system of RBI does not generate any such data in respect of the number of persons who took the benefit of NPA and got their loan written off more than once.

(c) & (d): Banks have been advised by RBI from time to time, to take effective measures to strengthen the credit appraisal and post-credit monitoring to arrest the incidence of fresh NPAs and adopt a more realistic approach to reduce the existing and chronic NPAs in all categories.

Banks are required to have in place a credit risk strategy policy. Besides, they are required to conduct loan reviews which pick up early warning signals and suggest remedial measures before an account slips into NPA. Banks are required to monitor NPAs and take steps to bring them down through recovery/other channels. RBI also monitors the NPA levels in banks on an ongoing basis